

# Nhon Trach 2 Power (NT2)

## AGM brief: Stays resilient amid headwinds

On Jun 09, Nhon Trach 2 Power (NT2) held the Annual General Meeting. The company presented to us full-year 2021 results as well as the 2022F business plan.

### Aggressively conservative 2022F guidance

- The management sets conservative guidance when it targets the output of 4.34bn kWh (+35% yoy), revenue of VND8,129bn (+32% yoy), and PAT of VND468bn (-12% yoy). As power selling price keeps its rising trends, NT2 expects to deliver a better-than-planned business results in 2022F.
- NT2 is going to pay a 15% cash dividend at par for 2022F but it is looking for a better dividend of 18-20%.
- In 1Q22, NT2 recorded a splendid result with a VND2,006bn (+22% yoy) and a VND159.6bn (+38.9% yoy), fulfilling 25%/34% annual guidance. 2Q22's net profit is predicted to exceed 20% of quarterly plan.
- The company will get an overhaul in 2023F. It also targets to collect VND200bn of revenue from exchange rate difference within 2022F.
- Regarding Business Interruption Insurance, NT2 is keen on buying it in 2022F as the company has positive cash flow after paying off all of its debt.
- NT2 expects to enjoy better results in 2022F and a spectacular result since 2024F when its assets reach full depreciation.
- Based on guidance of 2022F profit, 12MF PE is 17.1x and 12MF PB is 1.6x, much higher than the 1-year average of 13x and 1.5x, respectively.

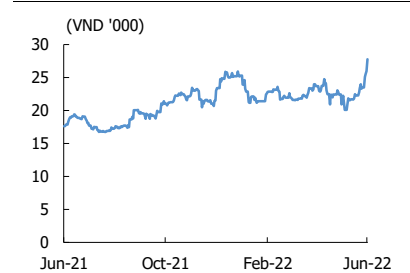
### Stock Data

VNIndex (09 Jun, pt)	1,308
Stock price (09 Jun, VND)	27,800
Market cap (USD mn)	345
Shares outstanding (mn)	288
52-Week high/low (VND)	27,800/16,759
6M avg. daily turnover (USD mn)	1.29
Free float / Foreign ownership (%)	32.3/14.2
Major shareholders (%)	
PV Power	59.37
Tech Development JSC	8.27
Samarang UCITS	5

### Performance

	1M	6M	12M
Absolute (%)	32.7	20.9	57.5
Relative to VNIndex (%p)	29.4	31.2	58.1

### Stock price trend



Source: Bloomberg

	2017A	2018A	2019A	2020A	2021A
Sales (VND bn)	6,761	7,670	7,654	6,082	6,150
chg. (% YoY)		13.4	(0.2)	(20.5)	1.1
Operating profit (VND bn)	1,279	914	888	810	593
Net profit (VND bn)	810	782	754	625	534
EPS (VND)	2,762	2,618	2,560	2,095	1,778
chg. (% YoY)		(5.2)	(2.2)	(18.2)	(15.1)
EBITDA (VND bn)	1,971	1,608	1,578	1,502	1,283
PE (x)	7.3	7.3	6.6	10.3	14.2
EV/ EBITDA (x)	6.2	6.2	4.7	5.2	6.1
PB (x)	1.2	1.5	1.2	1.4	1.7
ROE (%)	16.1	17.4	19.0	14.3	12.0
Dividend yield (%)	12.9	37.6	5.3	11.6	7.9

Note: Net profit, EPS and ROE are based on figures attributed to controlling interest

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